GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:190
ANSWERED ON:27.02.2007
PRODUCTION OF TEA
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) how far the cost of production of tea has increased year after year since 2001-02;

(b) the factors responsible for increase in cost of production of tea of different varieties in Assam and other tea producing regions;

(c) the comparative cost of imported tea; and

(d) the steps taken or being taken by the Government to provide assistance to the domestic tea industry to compete the international market?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b) : As per available information, the cost of production of tea in the country has increased by approximately 7.59% in 2005-06 over 2001-02. The increase in cost of production has been due to increase in the cost of inputs used for manufacturing tea, fuel and electricity charges, salaries and wages of workers including amenities etc.

(c) : As there are a wide variety of teas produced in India, there are different costs of production of such teas. However, on an average sale price of tea at auctions is about Rs.65.79 per kg. The C.I.F. price of tea imported from major countries ranges from Rs.34 to Rs.129 per kg. The applied rate of customs duty on imported tea is 100%. Under the Indo- Sri Lanka FTA, a concessional duty of 7.5% is applicable.

(d) India has retained its position in the international market. In the Xth Plan period, tea exports have hovered around 180 million kgs. and during 2004-05 exports touched a mark of 205.81 million kgs. It is expected that in the year 2006-07, tea exports would cross the 200 million kg. The Government of India has taken various measures to boost exports of tea which include promotional activities in foreign markets, lending promotional support to tea exporters, participation in international fairs/exhibitions/Buyer Seller Meets, incentivising production of orthodox tea, subsidy on transport and handling charges for tea exported through ICD Amingaon in Assam, etc.